

Message Text

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ACTION EA-10

INFO OCT-01 EUR-12 ISO-00 CIAE-00 DODE-00 PM-03 H-02

INR-07 L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15

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CEA-01 COME-00 AGR-05 FEA-01 /093 W

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FM USLO PEKING

TO SECSTATE WASHDC 3939

INFO AMEMBASSY BUCHAREST

AMCONSUL HONG KONG

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SUBJECT: SINO-ROMANIAN TRADE IN 1975

REF: PEKING 523, 1974

SUMMARY. THE 1975 SINO-ROMANIAN TRADE AGREEMENT PROVIDES FOR \$320 MILLION IN TOTAL BALANCED TRADE. THIS IS AN INCREASE OF 28 PERCENT OVER THE \$250 MILLION LEVEL OF AGREED TRADE FOR LAST YEAR. END SUMMARY.

1. DURING A CALL ON USLO JUNE 20. ROMANIAN COMMERCIAL COUNSELLOR IN PEKING, CONSTANTIN PRICOP PROVIDED THE FOLLOWING INFORMATION ON THE 1975 SINO-ROMANIAN GOODS EXCHANGE AND PAYMENTS PROTOCOL.

2. LEVEL OF TRADE. SIGNED ON DECEMBER 14, 1974, THE PROTOCOL PROVIDES FOR \$320 MILLION (1.6 MILLION LEI) IN TOTAL, BALANCED TRADE IN 1975. ACTUAL VALUE OF CONTRACTS CONCLUDED UNDER THE AGREEMENT, HOWEVER, IS STILL UNKNOWN BECAUSE NEGOTIATIONS ARE STILL IN PROCESS. IF ALL

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CONTRACTS ARE CONCLUDED, THIS WILL MEAN A 28 PERCENT

INCREASE OVER THE \$250 MILLION LEVEL OF AGREED TRADE FOR LAST YEAR. PRICOP SAID FIGURES FOR ACTUAL IMPORTS AND EXPORTS IN 1974 WILL NOT BE AVAILABLE FOR A WHILE, BUT THESE WILL BE SOMEWHAT LOWER THAN THE AGREED LEVEL OF TRADE BECAUSE OF SHIPPING DELAYS.

3. COMMODITY COMPOSITION. THIS YEAR ROMANIAN EXPORTS TO THE PRC WILL INCLUDE MACHINE TOOLS (250 PIECES); TRUCKS (3,500); FOUR-WHEEL DRIVE CARS (500); TWO 5,000 TON COASTAL TANKERS AND OTHER MARINE EQUIPMENT (\$16.8 MILLION); OILFIELD AND GEOLOGICAL RESEARCH EQUIPMENT (\$35 MILLION); ROLLING STOCK (\$14 MILLION); ROLLED STEEL (80,000 TONS); ALUMINUM (10,000 TONS); AND CALCIUM CARBIDE (22,000 TONS).

4. IMPORTS FROM CHINA WILL INCLUDE MACHINE TOOLS (300 PIECES); METALLURGICAL COKE (250,000 TONS); BAUXITE (10,000 TONS); CRYOLITE (5,000 TONS); ROLLED STEEL (13,000 TONS); COTTON YARN AND FABRICS (\$48.5 MILLION); GARMENTS (\$8 MILLION); RICE (40,000 TONS) AND TEA (190,000 TONS).

5. CONTRADICTING INFORMATION PROVIDED BY HIS PREDECESSOR (REFTEL), PRICOP SAID MOST ITEMS TRADED UNDER THE PROTOCOL WERE STILL EXCHANGED AT "TRADITIONAL" OR "STOPPED PRICES" AND ONLY THOSE WHICH HAD CHANGED MORE THAN FIFTY PERCENT WERE ADJUSTED TO WORLD MARKET LEVELS IN 1974. HE WAS NOT SURE, HOWEVER, WHETHER THE CHINESE WOULD BE WILLING TO CONTINUE THIS ARRANGEMENT NEXT YEAR.

6. ASKED IF ROMANIA WAS STILL DELIVERING 30 ONSHORE OIL DRILLING RIGS A YEAR, PRICOP SAID THAT WAS THE NUMBER SPECIFIED, BUT NOT ACTUALLY DELIVERED. ROMANIA NOW HAS MANY CUSTOMERS FOR ITS OIL-FIELD EQUIPMENT AND DELIVERIES TO CHINA (AND OTHER CUSTOMERS) ARE MADE WHEN IT IS CONVENIENT FOR US, HE SAID. BUSH

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